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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 001538

SIPDIS

STATE FOR EB/ESC/ESP, S/CT. AF/W, AND AF/EPS;  
DEPT PASS TO TREASURY

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TAGS: [ETTC](#) [EFIN](#) [PTER](#) [PREL](#) [KPAO](#) [NI](#)

SUBJECT: NIGERIA: TERRORISM FINANCE: REGULATION OF OVERSEAS CHARITIES

REF: STATE 90100

Classified By: HOWARD F. JETER, AMBASSADOR, REASONS 1.5 (B) AND (D)

1. (U) Nigeria officially regulates all corporate bodies and non-governmental organizations (including charities and religious organizations) through registration with the Corporate Affairs Commission (CAC). The registration process requires a one-time fee, a filing of papers on the organization's charter and purpose, data on the organization's principal officers, a background police check of those principals, and advertisements about the organization in the public media.

2. (C) However, most indigenous Nigerian charitable organizations, especially local charities formed around mosques and churches, avoid the rather expensive and complicated CAC registration process. Larger and more sophisticated organizations, especially those which will look to the Nigerian Government or foreign donors for funds, tend to register. All foreign charities and foreign-based NGOs are expected to register and do so. Once registered, very few organizations comply with regulations by sending in the periodic updates on structure and personnel. The CAC is among the less effective Nigerian government offices. Its main office in Abuja has no working telephones. It is safe to say that the CAC cannot adequately track the activities of charitable organizations.

3. (C) Nigeria's State Security Services (SSS) actively monitors religious groups and services, both Christian and Muslim, in an attempt to predict, and if possible prevent, inter-religious and ethnic violence. The SSS pay particular attention to Muslim missionary activities. Organized teaching by foreign Muslim scholars has a centuries-long history in Nigeria. Among the larger groups proselytizing in Nigeria are organizations with bases in Saudi Arabia, Pakistan, and Sudan. Groups with ties to Iran, Iraq and Libya also exist, and are closely watched by the SSS.

4. (C) As far as we know, Nigeria is not a source of significant funding for any international charities. It is more often a destination country, especially for charities focused on construction of mosques. We do not believe that pushing for more strenuous regulation of charities would be well received or effective. Due to its undisciplined and opaque financial system and lack of adequate oversight of charitable organizations, Nigeria is potentially attractive to terrorist for money laundering.

5. (C) We believe that Nigerian authorities (the Central Bank, SSS, Ministry of Finance) will take effective action when provided information on charities being used for financing terrorist activities. Rather than try to change Nigerian public policy on charities, we suggest continuing to work closely with GON authorities (particularly through training programs) to enlist their aid in identifying abuses of charities, and stopping those abuses.

6. (C) As we deliberate measures aimed at terrorist financing through charities, we need to be aware of a possible public diplomacy downside which must be factored into plans. Targeting Muslim charities moves us into a sensitive area. We risk being perceived as going after organizations that "do good" in the community without bringing in any counterbalancing relief. This opens us to charges of being "anti-Muslim," and this can be used by radical elements to sway Muslim public opinion against us. Even the most educated and informed moderate Muslim will be negatively influenced, perhaps profoundly so. Consequently, we must do a much better job of educating the public that some purported charities are alleged front organizations for terrorism, and that terrorism is not just directed at the U.S. but may have domestic repercussions as well. Said plainly, we must be

able to provide evidence to the public. Announcing measures while responding to criticism with "we can't discuss specific evidence" will not do. We must also broaden our interaction with Muslims and enhance our presence among them, including provision of additional economic developmental assistance.

JETER